

High Point's International Home Furnishings Market is state's largest economic development event

Estimated at over \$1 billion

*By Denise Becker, Staff Writer
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HIGH POINT – The semiannual International Home Furnishings Market pumps about \$1.07 billion into the region's economy, according to preliminary findings of a new economic impact report released Wednesday by the market's organizers.

This figure is nearly three times what has previously been reported by the High Point International Home Furnishings Market Authority, which commissioned the study from the Bryan School of Business and Economics at UNCG.

The reason for the dramatic increase, said the study's author, is that previous economic impact numbers looked only at direct spending by market attendees while they were in town for market.

The new study, for the first time, takes into account spending by businesses that serve those directly involved in market, said Andrew Brod, a professor at UNCG and author of the study. As just one example, the study takes into account the money spent renovating showrooms between markets and it factors in the jobs created from this.

Brod stressed that the number released Wednesday is preliminary. "My view is that the numbers are going to change a little bit," Brod said. He expects to deliver a final report to the Market Authority on Friday, which will have a more detailed breakdown of the economic impact and the methodology used to calculate it.

The furniture market is held for a week each April and October, and is the largest trade show in the state. Furniture manufacturers and retailers meet to see new product lines and negotiate orders.

One item in the new economic impact report may shed some light on what has been a secret for several years: attendance.

Although Brod said he did some extrapolating to determine furniture market attendance during the April and October 2003 markets, he based this on the actual number of passes issued during those two markets by the International Home Furnishings Market, which is the largest showroom facility and is the closest thing to a central registration point that the market has.

The IHFC does not release these numbers to the public, so there has been no way for anyone outside the IHFC to verify attendance figures claimed each year by market organizers. The IHFC, however, did give those figures to Brod for the new economic impact study.

Based on interviews with market participants, he estimated that 95 percent of all buyers and 98 percent of all “guests” obtain an IHFC pass. A slightly lower percentage of exhibitors and manufacturers’ representatives obtain a pass.

Using this formula, Brod calculates that 144,500 people attended the two furniture markets in 2003: about 103,000 buyers, 25,000 sellers, representatives and exhibitors and 16,000 guests. This gave the 2003 market an average attendance of 72,250, slightly lower than previously reported attendance figures.

While the final economic impact number in his report is much larger than previous estimates, Brod said he was conservative in his calculations.

“Whenever I was unsure about something, like whether 70 percent or 60 percent of showroom space is renovated each year, I always chose the lower number,” Brod said.

“Whenever there was a question in my mind, I made the conservative choice.”

He expected the impact number in his study would be bigger than previous estimates, though, because he was looking at the market’s larger impact on the local economy beyond what attendees spend on motels, restaurants and rental cars while they are here.

Market Authority President Judy Mendenhall said Wednesday that the study shows how important the market is to the region.

The annual economic impact, as calculated by the study, represents 13,000 jobs in the region and 14,000 jobs across the state. In addition, the assessed tax value of the buildings used during market totals about \$667 million, giving local governments millions in property tax dollars.

“The market is an economic engine for the Triad and North Carolina, and its success and long-term viability are important to a region facing a decline in traditional manufacturing industries,” Mendenhall said.

Contact Denise Becker at 883-4422, Ext. 241, or dbecker@news-record.com.